



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL) MILLENNIUM CHALLENGE ACCOUNT NEPAL ("MCA-Nepal")

Synopsis of Minutes of 31st Meeting of the Board of Directors of Millennium Challenge Account Nepal (MCA-Nepal)

Nature: Regular Meeting

MCA-N/BOD-M-31/17-02-2023

Date: Friday, 17th February, 2023 (2079/11/05 BS)
Time: 4:15 PM
Place: Conference Room of the Secretary, Ministry of Finance at Singh Durbar,
Kathmandu
Notice Served: 09/02/2023 (26/10/2079 BS)

1. PRESENT

1.1. Members

- **Toyam Raya, Chairperson**
And, Secretary, Government of Nepal, Ministry of Finance
Singhadurbar, Kathmandu
- **Shiva Prasad Nepal, Member**
And, Joint Secretary, Ministry of Physical Infrastructure and Transport
Singhadurbar, Kathmandu
- **Surendra Kumar Mahto, Member**
And, Senior Advocate, Supreme Court of Nepal
- **Kumar Pandey, Member representing the Private Sector**
And, Chairman of the Board, National Hydro Power Company (NHPC)
- **Khadga Bahadur Bisht, Member Secretary**
And, Executive Director, MCA-Nepal

The Government of Nepal established MCA-Nepal on 18 April 2018 under Development Board Act, 2013 BS as the accountable entity to implement a program co-funded by Nepal and US Government's Millennium Challenge Corporation.

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1.2. Invitees

- **Shreekrishna Nepal, Invitee**
And, Joint Secretary, Government of Nepal, Ministry of Finance, International Economic Cooperation and Coordination Division (IECCD)
- **Sanjay Poudyal, Invitee**
Resident Country Director (Acting) – Nepal, Millennium Challenge Corporation

1.3. Others Attending

- **Rajib Dahal**
Chief Legal Officer, Millennium Challenge Account Nepal
- **Satyam Pathak**
Legal Advisor, Millennium Challenge Account Nepal

2. PRELIMINARY

- 2.1. The meeting of the Board of Directors was duly constituted on 17th February, 2023 (2079/11/05 BS) after the notice was served in writing on 09/02/2023 (26/10/2079 BS).
- 2.2. The Chairperson welcomed all the members of the Board of Directors and other invitees attending the meeting.
- 2.3. The Chairperson reported that a quorum was present in accordance with Millennium Challenge Account Nepal Development Board Formation Order, 2074 (2018). The Chairperson apprised the board members on the latest situation at MCA – Nepal.
- 2.4. The Board Members declared that there is no Conflict of Interest (CoI) on any of the Agendas presented by MCA-Nepal, and all the members of the board attended the meeting.
- 2.5. Mr. Khadga Bahadur Bisht, Executive Director, Millennium Challenge Account Nepal updated on current activities of MCA-Nepal and presented the agendas to MCA-Nepal Board of Directors.

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3. UPDATE ABOUT CURRENT ACTIVITIES OF MILLENNIUM CHALLENGE ACCOUNT NEPAL

- Mr. Khadga Bahadur Bisht, Executive Director appraised MCA-Nepal Board of Directors of the major activities undertaken by MCA-Nepal.
- On Electricity Transmission Line (ETP) Project: The technical survey for 30 Kms. Section to address grievances and other geo-technical issues is completed, the environment and social survey is ongoing. An extension of time will be required until end of June 2023 (3-month extension). For the Design & Built Contract, the bid was released on 28 November and the bid submission is by 27 March 2023. Several bidders have requested extension of bid submission date by more than a month but MCA-Nepal so far has not agreed to this request but will look into it and reply to the bidders. The contract will be signed immediately after Entry into Force (EIF). The RFP was released on 17 January 2023 for Construction Supervision Engineer for TL & S/S. The last date of bid submission is by 09 March 2023 and the contract will be signed in June/July 2023.
- For land acquisition activities for transmission line: Section 6 Notice (allowing Preliminary Land Officer to enter the land) has been issued and field verification is ongoing. The household survey is likely to start from this month. CFC (Compensation Fixation Committee) rate determination for the majority of districts is expected to be finalized within July 2023. For Forest Census (trees counting) Activities consultations with forest user groups is ongoing. The forest census to start in March and to be completed by December 2023.
- Updates of Substation (S/S): Substation tender document preparation is in final stage. The bid launch planned by March 2023. The boundary wall construction survey works has been completed, and the detailed design works will begin from February 2023.
- Ratmate (LRP) Livelihood Restoration Implementation: Agriculture based trainings are moving ahead satisfactorily. Vocational training e.g. excavator operator training started on 5th February, 2023.

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4. AGENDA ITEMS AND BOARD'S DECISIONS/RESOLUTIONS

4.1. The Chairperson requested the members to consider and, if thought fit, pass a resolution on the following matter:

(A) Agenda One: Approval of Procurement Plan 7.0

(B) Agenda Two : Changing the name in Banking and Financial Service Agreement

(C) Agenda Three : Salary increment and reward for the performance year until September,2022

4.2. Agenda One: : Approval of Procurement Plan 7.0

4.2.1. MCC Program Procurement Guidelines (PPG) required to be followed by MCA-Nepal as a condition of the Compact states that MCA-Nepal shall periodically prepare a Procurement Plan for acquiring goods, works, and consultant and non-consultant services needed to implement the Compact. Compliance, satisfactory to MCC, with the approved Procurement Plan shall be a condition precedent to MCC disbursements or payments.

4.2.2. MCA-Nepal is required to regularly update a procurement plan that aligns to the Compact's projects and guides technical and administrative activity.

4.2.3. The Procurement Plan approved by MCA-Nepal Board of Directors need amendments and the amended and revised Procurement Plan Version 7.0 is presented for approval.

4.2.4. RESOLVED THAT the Board of Directors approves the Procurement Plan as per the document entitled "Procurement Plan Version 7.0" with list of Contract Amendments.

4.3. Agenda two Approval for : Changing the name of bank in Banking and Financial Services Agreement

4.3.1. MCA-Nepal has Banking and Financial Services Agreement effective from 22 January 2018. Bank has recently merged, and both the bank has started joint operation. This change in name has to be incorporated in the agreement for Banking and Financial Services that MCA-Nepal had with the bank.

4.3.2. Program Implementation Agreement, Section 2.9 (c) classifies banking agreement as Material Agreement. Section 3.3 of MCA-Nepal Internal Conduct Bylaws, 2075 (2019) states Material Agreement and its amendment or termination as Non-Delegable Responsibilities of Board. So, this amendment in Banking and Financial Services requires Board approval.

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- 4.3.3. RESOLVED THAT the MCA-Nepal Board of Directors hereby approves amending the Banking and Financial Services Agreement by changing the name of the Bank and authorizes the Executive Director to execute the contract amendment.

4.4. Agenda three : Salary increment and reward for the performance year until September, 2022

- 4.4.1. MCC mandates all MCAs to undergo annual performance evaluation that is universally applied to all MCAs. Third party arrangement with MCC manages this process. Based on this process, MCA Nepal Leadership is due to receive '2022 MCA-Nepal Performance Evaluation Output Report' from MCC. MCA-Nepal requires to adhere to a mechanism to implement the consequences of performance evaluation that is consistent with all MCAs. Employees who are under contract during the community evaluation process will be eligible for pro-rated benefits mentioned hereunder so long as they have completed 3 months at the end of the performance period.

- 4.4.2. Within the provisions approved under Millennium Challenge Account Nepal Development Committee Employees Administration Bylaws, 2075 (by 4th Amendment of the Bylaws), Executive Director of MCA-Nepal is authorized to take decision on implementation of the consequence of performance-based rewards.

- 4.4.3. The consequence of performance evaluation for year 2022 will be from 1st January 2023 onwards as prescribed in Employment Bylaws for the employees, who are on payroll of MCA-Nepal on 1st January, 2023. This consequence will not be higher than as prescribed in the Employee Bylaws.

- 4.4.4. RESOLVED THAT the MCA-Nepal Board of Directors provides its *in-principle* agreement for the salary increment and reward for the performance year until September 2022 as presented by the MCA-Nepal. The Executive Director is authorized to execute employees' contract amendments for reflecting the consequences of performance evaluation for year 2022 and Secretary, Ministry of Finance/ Joint Secretary to execute employment contract amendment of Executive Director.

4.5. Discussion Agendas :

- 4.5.1. The Board of Directors discussed on the progresses and challenges of MCA-Nepal on issues of tax issues, compensatory forest replantation, and rate determination under Land Acquisition Act, 2034 and Right of Way Compensation. The Chairperson requested concerned members of the Board from government ministries to extend their supports to facilitate and expedite the matter. The Board Chairperson thanked all the members for their active participation and support in the project execution.

5. RECORDING OF THE DISCUSSIONS AND DECISIONS

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5.1. RESOLVED THAT the Board of Directors directs the Executive Director to record these minutes with the minute book of Millennium Challenge Account Nepal and to submit the synopsis of such minutes for publication on the website of Millennium Challenge Account Nepal within two (2) weeks from the date of these Minutes.

6. CLOSE

There being no further business the meeting was then closed at 5.15 PM.

This minute is prepared and signed on: 22/02/2023.

Minutes Prepared by: Rajib Dahal

Rajib Dahal,
Chief Legal Officer, Millennium Challenge Account Nepal

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